REMARKS

Reconsideration of the pending application is respectfully requested in view of the following observations.

1. In the Specification

In reference to section (1) of the Office Action, the specification has been amended by the submission of a Substitute Specification.

The specification is amended to qualify the foil (48) as a "covering layer." Paragraph [0018] describes this layer as being provided to at least partially cover the front-side security features of the security label.

The specification is also amended to describe the cold adhesive foil as a "cold adhesive layer." The term "layer" more clearly describes this feature over the prior use of the "foil," and a layer is readily apparent from Figs. 1-6 and the supporting description in the specification.

It is submitted that there is no new matter introduced into the application by these changes to the specification.

Entry of the amendment to the specification, in particular the Substitute Specification, is respectfully requested.

2. In the Claims

The claims are amended as presented in the Amendment to the Claims.

a. Claim Objections

In reference to section (2) of the Action, claim 13 is amended to recite that the method further comprises the step of hot stamping or bonding a conductive foil to the back of the substrate. This revised language removes the objected to expression "the applying step" from the claim.

In view of this amendment, removal of the objection to claim 13 is requested.

b. Claim Rejections

In reference to section (3) of the Action, claims 1, 9 and 11 are amended by modifying both the "foil" and the "cold adhesive foil" discussed above in connection

with the amendment to the specification. In effect, the applicant has adopted the suggestion in the Action to define the previously recited "foil" as a "layer" instead.

It is submitted that no new matter is introduced by way of the amendment to the claims, and that the amendment makes it so that claims 1, 9 and 11 clearly recite subject matter in compliance with 35 U.S.C. § 112.

Claims dependent from independent claims 1 and 11 have likewise been amended in view of the changes to claims 1 and 11.

Withdrawal of the rejection of claims 1, 9 and 11 is respectfully requested.

c. Additional Claim Amendments

Claim 1 is additionally amended to recite that the front-side security features contain a printed area produced by an intaglio printing method and which extends over the recess in which the integrated circuit is disposed. Support for this amendatory language is found at least in Figs. 5 and 6, and in the corresponding paragraphs in the written description including paragraph [0047].

Claim 11 is likewise amended to first recite that a "printed area is provided on the substrate by an intaglio printing method," as claim 1 was previously amended and stated in paragraph [0038]. Moreover, claim 11 is amended to make it clear that the integrated circuit is applied after the substrate has undergone an intaglio printing process, as discussed in paragraph [0047].

It is submitted that there is full support to the amendment to the claims, and that no new matter is introduced into the claims by this amendment.

In view of these observations, entry of the amendment to the claims is kindly requested.

3. Rejection of claims 1-3, 9, 11, 13, 14 and 16-18 under 35 U.S.C. 103(a) as being unpatentable over U.S. patent 7,168,623 (*Royer*) in view of U.S. patent 5,528,222 (*Moskowitz*) and WO 93/22146 (*Trapletti*)

Reconsideration of this rejection is kindly asked for in view of the amendment to independent claims 1 and 11 from which the remaining pending claims in this application depend.

In short, it is submitted that the proposed combination of *Royer*, *Moskowitz* and *Trapletti* fails to disclose or suggest a security label wherein front-side security

features contain a printed area produced by an intaglio printing method, and in which the integrated circuit extends over a recess formed by an adhesive foil.

Before exploring the prior art combination, it is important to understand the purpose behind the claimed combination of features in the claimed security label of claim 1 and the method for making the security label of claim 11.

As explained in paragraph [0016] of the written description, the front-side security features of the inventive security label include the printed area produced by intaglio printing. The skilled artisan readily understands that an intaglio printing process produces a substrate that is partially deformed by an impress in the printing plate used to ink print a pattern. The printed area, due to its tactility, is easily recognizable and is thus used an authenticity feature. Since high pressure is required to form an intaglio printed pattern, one encounters the problem of damaging any integrated circuits which may be attached to the security label at the time of making the intaglio printed pattern.

The pending application, including claims 1 and 11, provide a solution for overcoming this drawback known in the art of making security labels.

In observing *Royer*, this patent discloses a self-adhesive electronic circuit having a chip (12) which is arranged on a base (14), and wherein a side of the circuit which is not to be adhered (i.e., the side of the base (14) which does not carry the chip (12)) can be imprinted after the chip (12) is already attached to the base (14) (1:61-63; 4:54-59). Indeed, the printing of a pattern is also described by *Royer* as being done in a manner that is easy, which would clearly exclude the high pressure of intaglio printing, and deter the skilled person from considering applying an intaglio printed pattern.

As correctly noted in the Action, nowhere in *Royer* is there any disclosure or suggestion of forming the imprint in *Royer* by using an intaglio printing process. And wisely so, the chip would likely be destroyed by high pressure exerted onto if indeed the imprint was formed by an intaglio printing process.

Accordingly, there is no understanding in *Royer* which would lead the skilled person to consider forming a printed pattern via intaglio printing.

Turning to *Trapletti*, which is used in the Action to support the notion it would be obvious to combine the teachings of this reference with those of *Royer*, it is clear that the skilled person would not understand to apply an intaglio printed pattern to the base of *Royer*. As noted above, *Royer* explains applying the chip to the base at the

initial stages of forming the self-adhesive electronic circuit thereof. It is only after the circuit has been assembled that *Royer* informs the skilled person to provide printed pattern by only easy means, such as with "easily" paintable or printable material. Further, the location of the printed pattern placed on the circuit of *Royer* is only determined after one finds out the surface of the base which does not carry the chip, and appears only to be an after-thought in view of the entirety of the teachings of *Royer*.

As discussed and shown in the pending application, an intaglio printing imparts both visual and structural changes to a substrate, and such alteration of the base in *Royer* is neither understood nor considered desirable.

In consideration of the combination of teachings of *Royer* and *Trapletti*, there is no understanding of providing structure in a security label which affords an integrated circuit to be applied to a surface of a substrate (i.e., over the recited recess required by amended claim 1) that has been intaglio printed. Moreover, there is no understanding among these references of providing method steps in which a substrate is intaglio printed and then an integrated circuit is applied to the substrate.

With regard to the teachings of *Moskowitz*, it is submitted that the teachings of this patent fail to make up for these above-noted shortcomings of the teachings of *Royer* and *Trapletti* in teaching every feature of independent claims 1 and 11. Namely, *Moskowitz* does not describe an intaglio printed pattern, and further does not disclose the structure of a security label enabling an integrated circuit to be applied after a substrate has been intaglio printed, and the method by which and when the integrated circuit is applied.

Accordingly, the skilled person would not understand from the proposed combination of *Royer*, *Moskowitz* and *Trapletti* to make a security label having all of the features required by amended claim 1, and a method for making a security label having all of the steps required by amended claim 11.

In view of these observations on the proposed combination of *Royer*, *Moskowitz* and *Trapletti*, withdrawal of this rejection is respectfully requested.

4. Rejection of Claims 4, 6-8, 10, 12 and 15

Reconsideration of the rejection of claims 4, 6-8, 10, 12 and 15 is respectfully requested in view of the observations on the proposed combination of *Royer*, *Moskowitz* and *Trapletti* in view of amended claims 1 and 11, from claims 4, 6-8, 10,

12 and 15. Claims 4, 6-8, 10, 12 and 15 are patentable at least in view of their dependency from one of claims 1 and 11, and their individually recited features.

Accordingly, withdrawal of the rejection of claims 4, 6-8, 10, 12 and 15 is respectfully requested.

5. Conclusion

As a result of the amendment to the claims, and further in view of the foregoing remarks, it is respectfully submitted that the application is in condition for allowance. Accordingly, it is respectfully requested that every pending claim in the present application be allowed and the application be passed to issue.

If any issues remain that may be resolved by a telephone or facsimile communication with the applicant's attorney, the examiner is invited to contact the undersigned at the numbers shown below.

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Respectfully submitted,

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